

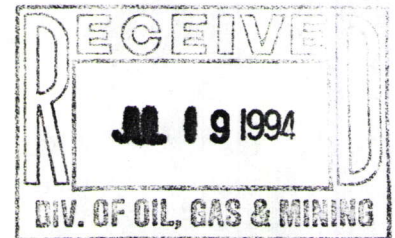
File Number M/037/043

Effective Date 7-27-94

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

*Replaced &
returned to
operator - 6-5-97*

RECLAMATION CONTRACT
---ooOoo---



For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/037/043
(Mineral Mined) Uranium/Vanadium

"MINE LOCATION":
(Name of Mine) Hecla Shaft
(Description) Underground Mine Located
approximately three miles west
of the La Sal Post Office

"DISTURBED AREA":
(Disturbed Acres) 29.3 acres
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Energy Fuels Nuclear, Inc.
(Address) 1200 17th Street, Suite 2500
Denver, CO 80202
(Phone) (303) 623-8317

"OPERATOR'S REGISTERED AGENT":

(Name)

C T Corporation

(Address)

50 West Broadway

Salt Lake City, UT 84101

(Phone)

(801) 364-5101

"OPERATOR'S OFFICER(S)":

Wallace M. Mays, President

Harold R. Roberts, V.P. Operations

Nancy M. Jordan, Treasurer

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

National Union Fire Insurance Company

of Pittsburgh, PA

"SURETY AMOUNT":

(Escalated Dollars)

Bond #

\$159,000.00

"ESCALATION YEAR":

1999

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Energy Fuels Nuclear, Inc. the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/043 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:


1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated 12/13/78, and the original Reclamation Plan dated 12/13/78. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.


Harold R. Roberts
Authorized Officer (Typed or Printed)
Vice President, Operations


Authorized Officer's Signature

7-11-94
Date

SO AGREED this 27th day of July, 1994.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY 
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

James W. Carter, Director

Date

July 22, 1994

STATE OF Utah)
) ss:
COUNTY OF Salt Lake)

On the 27th day of July, 19 94, personally
appeared before me, who being duly sworn did say that he/she, the said
JAMES W. CARTER is the Director of the Division of
Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she
duly acknowledged to me that he/she executed the foregoing document by
authority of law on behalf of the State of Utah.



Jennie L. Brown
Notary Public
Residing at: Sandy, Utah

August 3, 1994
My Commission Expires:

OPERATOR:

Energy Fuels Nuclear, Inc.
Operator Name

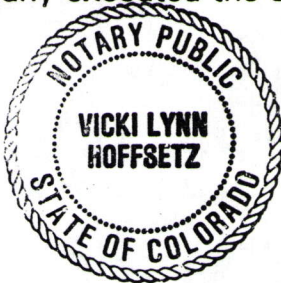
By Harold R. Roberts, V.P. Operations
Corporate Officer - Position

7-11-94
Date

Harold R. Roberts
Signature

STATE OF Colorado)
CITY AND) ss:
COUNTY OF Denver)

On the 11th day of July, 19 94, personally
appeared before me Harold R. Roberts who
being by me duly sworn did say that he/she, the said Harold R. Roberts
is the Vice President-Operations of Energy Fuels Nuclear, Inc.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Harold R. Roberts duly acknowledged to me that said
company executed the same.



Vicki Lynn Hoffsetz
Notary Public
Residing at: 8449 Nelson Dr
Arvada CO 80005

My Commission expires August 12, 1994

My Commission Expires:

SURETY:

National Union Fire Insurance Company of Pittsburgh, PA
Surety Company Bond #13-62-53

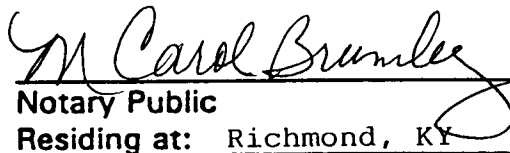
By Phillip S. McCrorie
Company Officer - Position

June 30, 1994
Date


Signature

STATE OF Kentucky)
) ss:
COUNTY OF Madison)

On the 30th day of June, 19 94, personally
appeared before me Phillip S. McCrorie who
being by me duly sworn did say that he/she, the said Phillip S. McCrorie
is the Attorney-in-Fact of National Union Fire Insurance Company of
Pittsburgh, PA and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Phillip S. McCrorie duly acknowledged to me that said
company executed the same.


Notary Public
Residing at: Richmond, KY

09-08-96
My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

American Home Assurance Company
National Union Fire Insurance Company of Pittsburgh, Pa.
 Principal Bond Office: 70 Pine Street, New York, N.Y. 10270

POWER OF ATTORNEY

No. 02-B-54926

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

—James H. Godfrey Jr., Phillip S. McCrorie, Ava M. Walker: of Lexington Kentucky—

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents



this 22 day of June, 1993.

Mark E. Reagan
 Mark E. Reagan, Senior Vice President

STATE OF NEW YORK }
 COUNTY OF NEW YORK } ss.

On this 22nd day of June, 1993, before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

Paulette K. Williams
 PAULETTE K. WILLIAMS
 Notary Public, State of New York
 No. 31-4972606
 Qualified in New York County
 Certificate Filed in New York County
 Commission Expires October 1, 1994

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation



this 30th day of June, 19 94

Elizabeth M. Tuck
 Elizabeth M. Tuck, Secretary

ATTACHMENT "A"

Energy Fuels Nuclear, Inc.
Operator

Hecla Shaft
Mine Name

M/037/043
Permit Number

San Juan County, Utah

The legal description of lands to be disturbed is:

Lands to be disturbed:

T29S, R24E, SLB&M
Sec 3: all
Sec 5: $W\frac{1}{2}W\frac{1}{2}NW\frac{1}{4}$
Sec 6: all

T28S, R24E, SLB&M
Sec 32: all
Lands currently affected:

T29S, R24E, SLB&M
Sec 5: $W\frac{1}{2}W\frac{1}{2}NW\frac{1}{4}$
Sec 6: $N\frac{1}{2}N\frac{1}{2}$

ATTACHMENT B

MR FORM 5
April 8, 1993

Bond Number _____
Permit Number M/037/043
Mine Name Hecla Shaft

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

*Replaced &
returned to
operator - 6-5-97*

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Energy Fuels Nuclear, Inc., as Principal, and National Union Fire Insurance Company of Pittsburgh, PA, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of ONE HUNDRED FIFTY-NINE THOUSAND-- dollars (\$ 159,000.00-----).

Principal has estimated in the Mining and Reclamation Plan approved by the Division on the 2nd day of May, 19 79, that 29.3 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date 7-11-94

Energy Fuels Nuclear, Inc.
Principal (Permittee)

By (Name typed): Harold R. Roberts

Title: Vice President - Operations

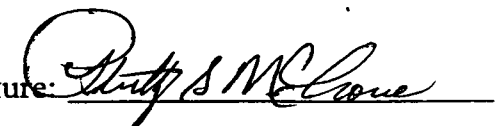
Signature: 

Date 6-30-94

National Union Fire Insurance
Company of Pittsburgh, PA
Surety

By (Name typed): Phillip S. McCrorie

Title: Attorney-in-Fact

Signature: 

Page 3
MR-5
Attachment B

Bond Number _____
Permit Number M/037/043
Mine Name Hecla Shaft

SO AGREED this 27th day of July, 19 94.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

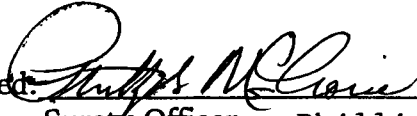
*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

MR-5
Attachment B

Bond Number 13-62-53
Permit Number M/037/043
Mine Name Heccla Shaft

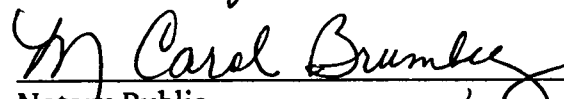
AFFIDAVIT OF QUALIFICATION

Phillip S. McCrorie, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: 
Surety Officer - Phillip S. McCrorie

Title: Attorney-in-Fact

Subscribed and sworn to before me this 30th day of June, 1994.


Notary Public
Residing at: Richmond Kentucky

My Commission Expires:

9-8, 1996

American Home Assurance Company
National Union Fire Insurance Company of Pittsburgh, Pa.
 Principal Bond Office: 70 Pine Street, New York, N.Y. 10270

POWER OF ATTORNEYNo. 02-B-54926**KNOW ALL MEN BY THESE PRESENTS:**

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

—James H. Godfrey Jr., Phillip S. McCrorie, Ava M. Walker: of Lexington Kentucky—

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents

this 22 day of June, 1993.

Mark E. Reagan
 Mark E. Reagan, Senior Vice President

STATE OF NEW YORK }
 COUNTY OF NEW YORK }ss.

On this 22nd day of June, 1993, before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

PAULETTE K. WILLIAMS
 Notary Public, State of New York
 No. 31-4972606
 Qualified in New York County
 Certificate Filed In New York County
 Commission Expires October 1, 1994

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation

this 30th day of June, 1994.

Elizabeth M. Tuck
 Elizabeth M. Tuck, Secretary